RECEIPTS.

The ordinary revenue thus falls short of our original anticipation (Rs. 101·40 lakhs) by Rs. 1·52 lakhs. The heads mainly responsible for this large decrease are 'Customs' 'Railway', 'Tramway', 'Profits from Capital Outlay', etc. The decrease under 'Customs' amounts to Rs. 1·25 lakhs and it represents the difference in the actual customs revenue receipt for 1935—36 under the revised Cochin Harbour Agreement as compared with what was anticipated in the budget. Statistics of customs revenue realised at Cochin being not available for us, our estimate in respect of this item can only be approximate. On account of the fall in Railway earnings, the revised estimate has been fixed at Rs. 16·60 lakhs only as against the budget estimate of Rs. 18·0 lakhs. The decrease of Rs. 0·54 lakh under 'Tramway' as compared with the budget estimate is only apparent since there will be a corresponding saving on the disbursement side of 'Tramway' due to the treatment of the amounts obtained from the sale of the rails of the old line as abatement of charge instead of as receipts as originally contemplated. The Potteries have once more disappointed us in that instead of giving us a net income of Rs. 26,000 as budgetted for, the actual working is expected to result in a loss of Rs. 3,200, due to the non-disposal of the accumulated stock to the extent anticipated. It may be noted, however, that the loss expected is after providing for a depreciation of Rs. 4,750 at 2 per cent on the capital. Against these decreases, there are a few heads under which we expect some enhancement of revenue like 'Matches' (Rs. 0·56 lakh), 'Forests' (Rs. 0·42 lakh), 'Public Works' (Rs. 0·37 lakh), 'Income-tax' (Rs. 0·30 lakh), 'Salt' (Rs. 0·29 lakh) and 'Stamps' (Rs. 0·24 lakh). The increased revenue receipts are only normal and seem to require no explanation.

DISBURSEMENTS.

On the side of expenditure, a net increase of Rs. 2·47 lakhs over the buget estimate of Rs. 100·94 lakhs is anticipated. The chief items which contribute to this increase are 'Public Works', 'Customs', 'Miscellaneous', 'Education', and 'General Administration'. Under 'Public Works' it is expected that the expenditure would show an increase of Rs. 1·44 lakhs over the budget estimate of Rs. 12·95 lakhs of which an increase of Rs. 1·14 lakhs is mainly due to the larger expenditure under 'Buildings' and 'Tools and Plant'—the former due to 'improvements to the Delhi House', moiety given for Ernakulam Town improvement,

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the repairs to Palaces in connection with His Highness' tour in the northern parts of the State, the Thrithali Charthu works, etc., and the latter due to the purchase of a 'Caterpillar' at a cost of about Rs. 20,000 for road maintenance. The introduction of this mechanical appliance to road maintenance has a great feature before it, as it goes to reduce maintenance charges of gravelled roads to a great extent. The increase in the cost of maintenance of the electric installations and the water works systems also accounts for an increase of about Rs. 0·30 lakh under 'Mechanical'. Next comes 'Customs' with an anticipated increase in expenditure of Rs. 0·73 lakh over the budget estimate of Rs. 0·05 lakh mainly due to refund of duty on tobacco due to Travancore Government as a result of the final decision of the Government of India on the question of pooling customs duty levied by Travancore Government on tobacco. Such levy made by Travancore and pooled into the customs collections at Cochin since the original Harbour agreement up to the end of 1935-36 came to Rs. 5,15,648 and this has to be re-imbursed at the rate of Rs. 73,660 every year for a period of 7 years. It may be observed, however, that from 1936-37 the customs collections by Travancore on this account have to be pooled as a result of the revised agreement. Partly due to His Highness' tour to Madras, the appointment of a legal adviser in connection with Federation, the increased expenditure under 'Subscriptions and Donations' and 'Entertainment of State Guests', etc., the expenditure under 'Miscellaneous' is expected to be increased.

An increase of Rs. 0·40 lakh over the budget estimate of Rs. 18·03 is to be attributed to 'Education' mainly due to the insufficiency of the allotment under 'Grant-in-aid' and the consequent necessity of granting additional allotment under the head. The contribution of Rs. 10,000 made to the Land Mortgage Bank as a measure of help to the Bank in its early stages and the increase in 'Travelling Allowance' under Legislative Council owing to the constitution of a large number of Committees account for an increase of Rs. 0·13 lakh under 'General Administration'.

Turning to 'Capital' section, I may state that though the budget estimate hereunder was fixed at Rs. 33,51,500 the revised estimate comes to Rs. 3,37,900 only. The expenditure on 4th Stage Harbour Works including the Dredging Plant does not form, strictly speaking, part of our capital programme as the amounts we spend now are only in the nature of advances which are to be repaid to us in due course. Hence the allotment

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of Rs. 30 lakhs estimated therefor has been proposed to be booked under 'Advances' instead of under 'Capital'. The estimate of Rs. 2,06.700 occurring under 'Railway—Capital' is for the works in connection with the remodelling of the Shoranur Junction, the outlay on which remained debited to suspense, pending decision of the Government of India on the question of allocation of that expenditure. The amount was proposed by the South Indian Railway to be debited to the State instead of to 'Railway Capital' bearing interest. This was objected to by this Government and the Government of India have ordered the debit to 'Capital'. The cost of opening a new road from the Archbishop's Palace to the Guest House claims Rs. 30,000 which was not budgetted for; it is proposed to be met in due course from what may be called the Town Improvement Fund of which the receipts from the sale of lands in the foreshore on the side of the road will form a nucleus. The Nemmara electrification and the Appangat Canal, both reproductive works, for which a provision of Rs. 15,000 and Rs. 6,000 respectively have been made are in hand. Still another item of work charged to Capital has been decided upon in the course of the year, the Mattanoheri submerged pipe line. It is estimated to cost Rs. 1,47,500 against which Rs. 80,000 is provided for this year and the balance next year. It is a reproductive work by which both the Government and the Mattancheri Municipality stand to benefit, the terms of water supply to the Ernakulam Municipality being applied to the Mattancheri supply.

BUDGET ESTIMATE FOR 1113.

7. I shall now proceed to deal with the budget estimates for the ensuing year which is the main business of the House today. The revenue is estimated at Rs. 100·58 lakhs and an expenditure charged to revenue of Rs. 98·75 lakhs has been provided for. The coming year is thus expected to close with a surplus of Rs. 1·83 lakhs.

I may at once inform the House that this apparently somewhat large margin of surplus has been effected not by harshly curtailing the demands of Development Departments but by making more or less drastic reductions under 'T. A., office contingencies and leave allowances', thus putting the officers to some inevitable inconveniences. The surplus may, after all, serve only as a reserve for utilisation in the course of the year. A casual reference to the budget estimates under any of the heads will show that to ensure strict economy in expenditure reductions have been made wherever possible providing at the

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